Israel's Post-War Influence & Otto von Habsburg: FDR, Churchill, Le Cercle Pinay, and the Pan-European Union

A Historical Research Report on the Intersections of Statehood, Dynastic Diplomacy, Covert Conservative Networks, and European Integration (1945–2004)

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Preface

This report extends the analysis begun in Part I (Habsburg, Rothschild, Warburg & Jewish Emigration Organisations) into the post-World War II world. It examines three interlocking subjects: first, the emergence of the State of Israel in 1948 and its subsequent political, strategic, and financial influence across the Cold War era and beyond; second, the documented relationships between Otto von Habsburg and the two most powerful Allied leaders of the wartime period, Franklin D. Roosevelt and Winston Churchill; and third, the networks that Otto von Habsburg helped to construct and lead after the war — above all the secret conservative forum known as Le Cercle Pinay and the International Paneuropean Union, both of which shaped the trajectory of post-war European politics in ways that have received relatively little popular attention.

Each of these subjects connects to the others through overlapping personnel, shared ideology, and common geopolitical aims: the defeat of Soviet communism, the integration of a Christian-democratic Europe, and the protection of the liberal international order against both totalitarian left and totalitarian right. The figures and institutions examined here were not passive observers of the post-war world — they were active architects of it.

PART ONE: The State of Israel — Foundation, Influence, and Strategic Significance

I.1 From Mandate to State: The Creation of Israel (1945–1948)

The emergence of the State of Israel on 14 May 1948 was the product of decades of Zionist organisation, two world wars, catastrophic European genocide, and a complex web of competing great-power interests. The immediate post-war years were decisive. The Holocaust had killed approximately six million Jews — roughly one third of world Jewry — and generated overwhelming

international moral pressure for a Jewish state as both sanctuary and restitution. British Mandatory Palestine, held under the League of Nations mandate since 1920, became the focus of this pressure.

The British government, seeking to preserve its relations with Arab states and protect its regional oil interests, continued to restrict Jewish immigration to Palestine even after the war, in accordance with the 1939 White Paper. Jewish paramilitary organisations — the Haganah, Irgun, and Lehi — responded with intensifying armed resistance against British forces. The British referred the matter to the newly established United Nations in 1947. The UN Special Committee on Palestine (UNSCOP) recommended partition of the Mandate into Jewish and Arab states. UN General Assembly Resolution 181 was adopted on 29 November 1947, approving a partition plan. When the British Mandate formally expired on 14 May 1948, David Ben-Gurion proclaimed the establishment of the State of Israel. Within eleven minutes, the United States — under President Harry S. Truman, acting against the recommendation of Secretary of State George C. Marshall — recognised the new state.

Israel immediately faced military assault from Egypt, Transjordan, Syria, Iraq, and Lebanon in the Arab-Israeli War of 1948 (Israel's War of Independence). Against significant odds, Israel survived, expanded its territory beyond the UN partition lines, and concluded armistice agreements by 1949. Approximately 700,000 Palestinian Arabs fled or were expelled during the conflict — an event known in Arabic as the Nakba ('catastrophe') — creating a refugee crisis whose consequences remain unresolved to this day.

I.2 The Rothschild Legacy in the New State

The Rothschild family's contribution to the foundations of the State of Israel went far beyond the symbolic. Baron Edmond de Rothschild's half-century of philanthropic investment through the Palestine Jewish Colonisation Association (PICA) had created the agricultural, industrial, and infrastructural backbone of the future state. PICA alone had purchased and developed over 125,000 acres of land and established foundational industries — wineries (Carmel Winery), glass works, textile mills — that formed the economic core of early Jewish Palestine.

In 1954, PICA transferred all its land and enterprise holdings to the State of Israel, in an agreement finalised between James de Rothschild and David Ben-Gurion. The transfer represented approximately 45,000 dunams of land (around 11,000 acres) and numerous enterprises, and was executed symbolically and legally as a final gift from the founding family to the nation they had done more than any other private actor to create. The Knesset building in Jerusalem — Israel's parliament — was funded by a separate gift from Dorothy de Rothschild, and bears a plaque honouring the family.

The broader Rothschild banking network also played a post-war role in Israel's financial infrastructure. The Israeli government raised sovereign bonds (State of Israel Bonds, from 1951) through networks of Jewish financial institutions and sympathisers in the United States and Europe, within which Rothschild-connected institutions participated. N.M. Rothschild & Sons in London maintained relationships with the Israeli government in its early decades, participating in sovereign finance arrangements.

I.3 Israel and the Cold War: Strategic Alignment Shifts

Israel's post-independence strategic posture evolved considerably across the Cold War decades, reflecting its precarious geopolitical position as a small state in a hostile regional environment with global-power sponsors competing for influence.

1948–1956: Early Alignment and the Suez Crisis

In its earliest years, Israel pursued a policy of formal non-alignment, seeking arms and support from both superpowers. The Soviet Union had supported the 1947 UN partition plan and recognised Israel alongside the United States. Czechoslovakia, under Soviet influence, provided critical military supplies (rifles, aircraft) to Israel during the 1948 war, supplies without which Israel's military survival would have been gravely in doubt. This relationship cooled rapidly as Stalin adopted anti-Zionist policies in his final years and the Soviet bloc aligned with Arab nationalist movements.

The 1956 Suez Crisis marked a turning point. Israel joined Britain and France in a secret military operation against Egypt following Nasser's nationalisation of the Suez Canal. The Eisenhower administration compelled all three to withdraw, humiliating Britain and France and consolidating Egypt's relationship with the Soviet Union. For Israel, the crisis demonstrated both the limits of European alliance and the decisive importance of American goodwill. It also produced the first significant French-Israeli military and nuclear cooperation, which would result in France assisting Israel in building its nuclear research reactor at Dimona — a programme that ultimately gave Israel nuclear weapons capability.

1957–1967: The US-Israel Special Relationship Takes Shape

From the late 1950s onward, the United States gradually displaced France as Israel's primary external patron. The relationship deepened dramatically under the Kennedy administration, which began covert arms transfers that Presidents Eisenhower and Truman had resisted. The Johnson administration formalised major military supply relationships. American Jewish community organisations, which had mobilised vast philanthropic resources for Israel since 1948, also developed increasingly effective political advocacy in Washington. The American Israel Public Affairs Committee (AIPAC), established in 1953, grew into what would become the most powerful foreign policy lobby in the United States.

The Six-Day War of June 1967 transformed the geopolitical landscape permanently. In six days of combat against Egypt, Jordan, and Syria, Israel captured the Sinai Peninsula, the Gaza Strip, the West Bank (including East Jerusalem), and the Golan Heights — roughly tripling its controlled territory. The occupation of these territories created the framework for the Israeli-Palestinian conflict as it has persisted into the 21st century. It also vastly increased Israel's strategic weight in regional and global politics.

1973–1991: The Oil Crisis, Camp David, and the End of the Cold War

The 1973 Yom Kippur War (October War), in which Egypt and Syria launched a coordinated surprise attack and came close to breaking Israeli lines before being repelled, had global consequences. Arab oil-producing states imposed an oil embargo on the United States and other supporters of Israel, triggering the global oil crisis of 1973–74 and demonstrating the new leverage of energy geopolitics. The war also produced the first breakthrough in Arab-Israeli diplomacy: Egyptian President Anwar Sadat's historic visit to Jerusalem in 1977 led to the Camp David Accords (1978, brokered by President Jimmy Carter) and the Egypt-Israel Peace Treaty of 1979 — the first between Israel and an Arab state. Sadat and Israeli Prime Minister Menachem Begin shared the

Nobel Peace Prize. Sadat was assassinated by Islamic extremists in 1981.

Through the 1980s, the US-Israel strategic relationship deepened further under the Reagan administration, with Israel formally designated a 'major non-NATO ally' in 1987. American military and economic aid to Israel reached levels exceeding $3 billion annually. Intelligence cooperation, including through Cold War intelligence networks with which Le Cercle Pinay was also connected, grew steadily.

I.4 Israeli Financial and Political Networks in the Post-War World

The State of Israel developed sophisticated mechanisms for mobilising support from diaspora Jewish communities and friendly governments. State of Israel Bonds, launched in 1951 with the personal endorsement of Albert Einstein, raised capital for Israeli infrastructure directly from international Jewish investors. The United Jewish Appeal (UJA) and its successor UJA-Federation raised billions annually in philanthropic donations. Individual donors of enormous wealth — including later in the century figures like Sheldon Adelson, Haim Saban, and (in the Israeli domestic economy) families like the Ofers, Azriels, and Wertheimers — created a network of private capital that intertwined with government policy.

Banking families with historical connections to pre-war Jewish finance — including descendants of Warburg connections through the creation of the Hamburg-based Warburg Bank successor firms, and Rothschild-affiliated institutions — participated in Israeli sovereign finance and investment. Israel Bank Hapoalim and Bank Leumi (successor to the Anglo-Palestine Bank — itself the founding partner of PALTREU alongside the Warburg Bank) became major commercial banking institutions within the new state. The Anglo-Palestine Bank was formally renamed Bank Leumi le-Yisrael ('National Bank of Israel') in 1950.

The creation of Israel thus brought full circle the financial infrastructure that had been built through the Ha'avara-PALTREU emigration mechanism of the 1930s. The Anglo-Palestine Bank that had co-founded PALTREU with the Warburg Bank became the national bank of the state that absorbed the emigrants those mechanisms had saved. The Rothschild-funded PICA land holdings became Israeli state property. The capital accumulated through the Ha'avara clearing mechanism formed part of the economic foundation of early Israeli industry.

I.5 Israel's Influence: The Special Relationship in Mature Form

By the late 20th century, the US-Israel special relationship had become the defining external relationship of Israeli statecraft and a major axis of American Middle East policy. American annual military assistance to Israel reached approximately $3.8 billion from 2016 onward, under a 10-year Memorandum of Understanding. The relationship encompassed intelligence sharing (via the Five Eyes-adjacent '9-Eyes' framework and bilateral agreements), joint military exercises, weapons co-development (including the Iron Dome missile defence system, jointly funded), and diplomatic protection in UN Security Council vetoes of resolutions critical of Israel.

Israel also cultivated less publicised regional relationships: covert intelligence and security cooperation with Arab states that officially denied any ties (most visibly formalised by the Abraham Accords of 2020 under President Trump, normalising relations between Israel and the UAE, Bahrain, Sudan, and Morocco), and a longstanding strategic partnership with Turkey (until its deterioration in the 2000s). Israeli technology companies — in cybersecurity, agricultural

technology, water management, and medical devices — gave Israel substantial economic and diplomatic soft power far exceeding what its small population and territory would suggest.

PART TWO: Otto von Habsburg, Franklin D. Roosevelt, and Winston Churchill

II.1 Otto in Washington: The Roosevelt Relationship (1940–1944)

When Germany invaded France in May 1940 and the collapse of Western resistance appeared imminent, Otto von Habsburg, then based in Paris, was forced into precipitous flight. The Habsburg family — Otto's mother Empress Zita, his siblings, and their entourage — escaped through Portugal with the assistance of the Portuguese ambassador and the personal protection of the Salazar government, which offered them refuge at Cascais while deflecting Nazi extradition demands. When Germany pressed harder, Salazar asked Otto to leave, and the family crossed the Atlantic to the United States.

Otto von Habsburg lived in Washington D.C. from 1940 to 1944, deliberately positioning himself at the centre of American political power. This was a calculated choice: as the heir to the former Austrian throne, as the most prominent exile opponent of the Nazi regime from Central Europe, and as a figure whom the Nazis had sentenced to death in absentia — the regime had codename its 1938 invasion plan 'Operation Otto' in recognition of his symbolic importance — he had both standing and motivation to engage with American government at the highest levels.

Otto's relationship with President Roosevelt was not merely formal but personal. Roosevelt, himself a stamp-collecting enthusiast, viewed Otto as a quasi-legitimate government-in-exile representative for Austria. Otto conducted direct correspondence with the President throughout the war years, including a letter dated 19 February 1945 in which he proposed the early deployment of Austrian prisoners of war on the Allied side to pre-empt Soviet occupation of Austria — one of many instances where Otto sought to shape the Allied approach to post-war Central Europe. The archive of correspondence between Roosevelt and Otto von Habsburg, preserved at BYU Library Special Collections alongside papers from the US Departments of War, State, and Justice, documents this sustained engagement.

Otto had met Roosevelt personally before his Washington residence, during a 1940 U.S. tour in which he travelled the country giving lectures about Austrian victimhood under Nazism, addressed the U.S. Congress, and held two separate meetings with President Roosevelt. He campaigned vigorously for Austria to be recognised as an occupied and victim nation rather than a willing component of the Reich — a distinction with enormous practical consequences for Austria's post-war status, reparations obligations, and territorial integrity. He largely succeeded: the Moscow Declaration of October 1943, issued by the Allied foreign ministers, declared Austria 'the first free country to fall victim to Hitlerite aggression' and pledged its liberation and independence — a formulation that largely reflected the position Otto had been advocating to American and British officials.

Among Otto's most practically significant interventions was his personal lobbying of the U.S. military leadership against the aerial bombardment of Austrian cities — particularly Vienna. His advocacy is credited with delaying and limiting the bombing of Vienna until 1943, when the strategic logic

became unavoidable. He also campaigned against the internment of Austrian nationals in the United States as 'enemy aliens' after Pearl Harbor, arguing correctly that many were refugees from the Nazi regime rather than its sympathisers. He proposed the formation of an 'Austrian Battalion' within the U.S. Army — a unit of Austrian exile soldiers who could have symbolised Austria's resistance — but this proposal was ultimately rejected by the War Department after bureaucratic resistance.

On 23 November 1943, the U.S. Postal Service issued an Austrian stamp in the 'Overrun Countries' series — a series commemorating nations occupied by the Axis powers. The inclusion of Austria was politically significant: it implicitly recognised Austria as an occupied nation rather than a willing participant in the German Reich. Otto had personally lobbied Postmaster General Frank Walker and the philatelist President Roosevelt to achieve this symbolic but resonant gesture. That Otto achieved this during the same period the Moscow Declaration was being drafted was not coincidental.

By September 1944, when Otto met Roosevelt for what would be one of their last conversations, he noted with concern the severity of the President's physical deterioration. Roosevelt died in April 1945 at Warm Springs, Georgia. In his later reflections on the Yalta Conference of February 1945, Otto identified Roosevelt's failing health as a material factor in the outcome of that conference, arguing that FDR lacked the physical capacity to confront Stalin's demands and that his concessions on Central and Eastern Europe — particularly Poland — were not the result of ideological naivety but of physical incapacity at a critical moment.

II.2 The Churchill Friendship: Shared Vision, Shared Enemies

Otto von Habsburg's relationship with Winston Churchill was deeper and more sustained than his wartime engagement with Roosevelt, extending across several decades and representing a genuine intellectual and personal friendship as well as a political alignment. According to the Director of the Otto von Habsburg Foundation, Gergely Pr■hle, who has documented the encounters between the two men, the relationship was built on shared experience and compatible worldviews: both had witnessed the fall of empires and the rise of totalitarianism, both were fierce opponents of Nazism and communism, and both believed in the centrality of Christian civilisation to European identity.

The most directly consequential moment of political alignment between Otto and Churchill concerned the Danube Federation concept. After the war, Otto proposed the creation of a Danubian Confederation — effectively a reconstituted form of the Habsburg Empire's successor structure, encompassing Austria, Hungary, and the successor states of the former monarchy as a unified entity that would form a bulwark against Soviet expansion into Central Europe. Churchill gave his explicit support to this idea, seeing the Habsburg restoration as a stabilising conservative force in the region. However, Joseph Stalin vetoed the plan at the conference table, and with the growing Soviet domination of Eastern Europe, the scheme became impossible to implement.

Churchill and Otto shared a particular view of the Yalta settlement (February 1945): both believed that it represented a catastrophic strategic error by the Western Allies, gifting Stalin hegemony over Central and Eastern Europe in exchange for promises of self-determination that the Soviet dictator never intended to honour. Otto's later writing and public statements were consistent with Churchill's 1946 'Iron Curtain' speech at Fulton, Missouri — both identified Soviet expansionism as the defining challenge of the post-war era. Churchill famously assessed the Versailles settlement's treatment of Central European dynasties in terms that vindicated Otto's own historical position: 'If the Allies at the

peace table at Versailles had allowed a Hohenzollern, a Wittelsbach and a Habsburg to return to their thrones, there would have been no Hitler.'

Churchill's support for the Pan-European idea also connected him to Otto and to Coudenhove-Kalergi's movement. Churchill gave his famous Zurich speech in September 1946, in which he called for the creation of a 'United States of Europe', describing Franco-German reconciliation as the first essential step. Churchill lauded the Pan-European Union's pre-war work for a unified Europe. The European Movement, of which Churchill was a driving force, elected Coudenhove-Kalergi as its honorary president in 1948 — the only private citizen to sit alongside politicians including Adenauer, de Gasperi, Schuman, and Churchill himself.

As one tribute noted: 'In the twentieth century the most resolute opponent of totalitarianism was Winston Churchill, with whom Otto von Habsburg enjoyed a close friendship.' As a British Atlanticist, Churchill always maintained that European integration must be complemented by the transatlantic bond with the United States — a position from which he never deviated and which distinguished him from more federalist Europeans. Otto shared this Atlanticist conviction, which later found expression in Le Cercle's strongly pro-American and anti-Soviet orientation.

II.3 Negotiating Austria's Post-War Fate

Otto von Habsburg's own retrospective account — reported by the Austrian newspaper Die Presse in 2007 — described his wartime and early post-war activity as 'negotiating Austria's post-war fate with Roosevelt, Winston Churchill and Charles de Gaulle.' This claim is supported by documentary evidence, including the BYU-archived correspondence, and by the historical record showing that Austrian interests were represented in Allied planning partly through Otto's direct engagement. The Moscow Declaration of 1943, which gave Austria victim status, and the Austrian State Treaty of 1955 — which restored Austrian sovereignty and permanent neutrality — were both outcomes that Otto had advocated for across a decade of diplomatic effort.

PART THREE: Le Cercle Pinay — The Secret Conservative Forum

III.1 Origins and Foundation (1952–1953)

Le Cercle — also known as Cercle Pinay, Cercle Violet, or simply 'The Circle' — was founded in 1952–1953, primarily by two men: the former French Prime Minister **Antoine Pinay** and the French intelligence agent and lawyer **Jean Violet**, with the critical early patronage of **Otto von Habsburg** and financial support from Italian industrialist **Carlo Pesenti II**. Key co-founders also included West German Chancellor **Konrad Adenauer** and Bavarian politician **Franz Josef Strauss**.

Jean Violet was a figure of remarkable opacity and reach: a French lawyer, member of Opus Dei, operative of the French foreign intelligence service SDECE, and alleged wartime collaborator who reinvented himself after 1945 as a networker for right-wing Catholic causes. He was deeply connected to the Vatican, to Opus Dei, and to conservative political circles across Europe. Antoine Pinay was a former French Prime Minister (1952–53), a Bilderberg founding member, and a figure whose name became the public face of the organisation. Otto von Habsburg served as patron, participant, and — according to several sources including ISGP research — co-founder alongside Pinay.

A 1995 document unearthed by Swiss researcher Adrian Hänni and confirmed by later scholarship identifies the founding year as 1952–1953 and lists the founders as including Adenauer, Strauss, Pinay, and Violet, with Habsburg as an essential patron from the outset. A later academic account in the Journal of Transatlantic Studies by historian Adrian Hänni described the Cercle as originating in 'Violet's activities' and identifying the founding vision as encompassing 'the integration of a Christian-Catholic Europe.'

III.2 Structure, Membership, and Secrecy

Le Cercle was — and apparently remains — an invitation-only forum, operating in complete secrecy. No public agenda, membership list, or meeting record has ever been officially released. Meetings were held twice or three times per year, at locations across Europe and occasionally in the United States. Participants were bound by strict confidentiality. British Conservative MP Alan Clark described it as 'an Atlanticist society of right-wing dignitaries' and stated in his diaries that it was funded by the CIA. Ecuadorian Foreign Minister Guillaume Long wrote in 2022 that the group maintained 'strong links to the intelligence community in Europe and the United States.'

The membership that has been partially reconstructed through investigative journalism, leaked documents, and academic research reads as a roster of the Western conservative elite across half a century. In its earlier phases, members included: Antoine Pinay, Konrad Adenauer, Franz Josef Strauss, Giulio Andreotti (Italian PM), Alfredo Sánchez Bella (Spanish minister, Opus Dei-connected), Paul Vanden Boeynants (Belgian PM), and Otto von Habsburg himself. Intelligence contacts included figures from the American CIA, Britain's MI5 and MI6, France's SDECE, and West Germany's BND.

From the 1970s onward, following the political shocks of détente and progressive governments across Europe, the Cercle expanded to include British figures including Brian Crozier (who became its head in 1980), Julian Amery, Anthony Cavendish (ex-MI6), and Alan Clark. Its objectives shifted from Franco-German reconciliation and Catholic conservatism toward an explicit anti-communist interventionist agenda that included covert media operations and electoral interference. In the early 1980s, it was connected through Crozier to figures around Margaret Thatcher and Ronald Reagan.

British MPs Rory Stewart and Nadhim Zahawi served as chairs of Le Cercle in the 2010s while simultaneously serving on the UK Parliament's Foreign Affairs Select Committee — neither declaring the chairmanship to Parliament, a disclosure failure that attracted criticism when it became public.

III.3 Le Cercle's Ideological Agenda and Operations

The Cercle's documented activities spanned a wide ideological and operational spectrum. Historian Adrian Hänni summarised its 'founding vision' as 'the integration of a Christian-Catholic Europe' — which connected directly to Otto von Habsburg's own deepest political convictions. Politically, the Cercle's targets — based on internal documents cited by researcher David Teacher in his 25-year study *Rogue Agents* — included undermining left-wing governments across Europe:

The Cercle focused counter-subversion efforts on progressive politicians including British Labour PM Harold Wilson, West German SPD Chancellor Willy Brandt, U.S. President Jimmy Carter, and French Socialist François Mitterrand — all of whom were subject to Cercle-facilitated media campaigns, intelligence operations, and reputational attacks. The Cercle simultaneously worked to

promote and sustain its preferred candidates: Valéry Giscard d'Estaing, Margaret Thatcher, Ronald Reagan, and Franz Josef Strauss. In the early 1980s, an internal Brian Crozier document listed Cercle objectives as including: 'Undercover financial transactions for political aims'; 'International campaigns aiming to discredit hostile personalities or events'; and 'Creation of a private intelligence service specialising in a selective point of view.'

The Cercle's most extensively documented intervention in the Southern Hemisphere was its campaign in support of South African apartheid. After Antoine Pinay met privately with South African Prime Minister John Vorster in August 1973, the Cercle collaborated with South Africa's Department of Information and Bureau of State Security (BOSS) to co-opt and fund French and Belgian media in order to build pro-apartheid sentiment among European decision-makers — a campaign subsequently uncovered in South Africa as the 'Muldergate' scandal that forced Vorster's resignation. The Cercle also supported UNITA in Angola and RENAMO in Mozambique.

David Rockefeller, in his memoirs, described attending meetings of what he called 'the Pesenti group' — the Cercle's occasional name from its financier — in the late 1960s, describing its participants as including Pinay, Andreotti, and 'Otto von Habsburg, claimant to all lands of the Austro-Hungarian Empire.' Rockefeller noted that he found the group's overtly Cold War politics and obsession with the 'Red Menace' excessive, and eventually withdrew after being warned by Chase associates that membership 'could be construed as consorting with reactionaries.'

III.4 Habsburg's Specific Role in Le Cercle

Otto von Habsburg's role in Le Cercle was that of a senior patron, participant, and ideological anchor rather than an operational intelligence operative. His function was to lend legitimacy, European aristocratic weight, and Catholic conservative credentials to an organisation that needed both for its political networking objectives. His connections to the Pan-European Union, to Christian Democratic parties across Europe (including Adenauer's CDU and Strauss's CSU), and to the Catholic Church provided the Cercle with a web of relationships that extended into every major European conservative governing party.

ISGP researcher Joël van der Reijden described Habsburg as 'patron' of Pinay and Violet rather than a mere participant, suggesting that the Cercle would not have been possible without Habsburg's endorsement and network. The Cercle complex explicitly overlapped with the Pan-European Union — which Habsburg led from 1973 — the Bilderberg Group, CEDI (Centre for European Documentation and Information, which Habsburg co-founded in 1949 with the specific purpose of breaking Franco's Spain's political isolation), and various Catholic organisations including elements of Opus Dei and the Knights of Malta, of which Franco was a member and with which Habsburg maintained longstanding ties.

Habsburg's consistent ideological priority — the reunification of Christian Europe under conservative democratic governance — infused the Cercle's stated purpose. One analyst described the 'agenda in the background to some day bring about a new Holy Roman Empire, its borders stretching from the Atlantic to the Black Sea and from the Baltic Sea to North Africa', citing the significant presence of Paneuropa-affiliated Opus Dei members and Knights of Malta within the Cercle's membership. Whether this accurately describes Habsburg's own vision or is an overstatement by critics is debated; what is clear is that his vision of a Christian-democratic, federated Europe matched the Cercle's founding ideology precisely.

PART FOUR: The International Paneuropean Union

IV.1 Origins: Coudenhove-Kalergi and the Pan-European Idea

The Paneuropean Union, the oldest European integration movement, was founded by Count **Richard von Coudenhove-Kalergi** (1894–1972), the son of an Austro-Hungarian diplomat and his Japanese wife. Coudenhove-Kalergi published his foundational manifesto *Pan-Europa* in 1923, proposing the political, economic, and military unification of European states as the only path to prevent future catastrophic wars. His vision was prophetic in ways he did not intend: his 1923 book predicted that if Europe failed to unite, it would face rising nationalism, a revanchist Germany potentially allied with Russia, and a world war ending in the division of Europe between Soviet totalitarianism in the East and American protection in the West — a prediction that proved almost exactly accurate.

The first Pan-European Congress took place in Vienna in 1926 with 2,000 participants from 24 nations. Coudenhove-Kalergi was elected founding President by acclamation. Among those who attended Pan-Europa congresses were Albert Einstein, Thomas Mann, and Sigmund Freud. French Foreign Minister Aristide Briand became honorary president in 1927 and, in September 1929, addressed the League of Nations in Geneva with a formal proposal for a Federation of European Nations — the first time a sitting foreign minister of a major power had advocated European federation before an international body. The plan failed in the face of rising nationalism and economic depression.

The Nazis banned the Pan-European Union in 1933 and listed its founder for arrest. Coudenhove-Kalergi fled to the United States, where he spent the war years at New York University. He and Otto von Habsburg — both exiles in America, both on the Nazi execution list — were natural allies in exile. The post-war revival of the Pan-European movement benefited from Churchill's famous endorsement in his 1946 Zurich speech, and Coudenhove-Kalergi was named the first recipient of the Charlemagne Prize in 1950, an award given annually to those who have contributed to European unity.

IV.2 Otto von Habsburg's Long Presidency (1973–2004)

Otto von Habsburg had been a member of the Pan-European Union since 1936. From 1957, he served as its International Vice-President under Coudenhove-Kalergi. At the 8th Pan-European Congress in Bad Ragaz, he was elected to the Central Council and proposed himself as Coudenhove-Kalergi's successor. When Coudenhove-Kalergi died in Vorarlberg on 27 July 1972, and on a formal proposal by French President Georges Pompidou, Otto von Habsburg was elected International President of the Pan-European Union in 1973 — a position he held until 2004, when at age 92 he passed the presidency to Alain Terrenoire.

Under Habsburg's presidency, the Pan-European Union underwent a significant transformation of mission. The primary objective shifted from the general integration of Western Europe (which the European Economic Community was already advancing) to the liberation of Central and Eastern Europe from Communist oppression — which Habsburg identified as the prerequisite for genuine European integration in the full sense. The Strasbourg Declaration of Basic Principles (11–12 May 1973) formalised these aims and emphasised the defence of Christian values in an increasingly materialistic age.

Pan-European youth organisations were established across Germany, Austria, Spain, Italy, and Belgium from 1975 onward, directed in part by Otto's daughter **Walburga von Habsburg** and the future MEP Bernd Posselt. The movement developed significant grassroots infrastructure across Catholic-conservative political cultures. The Pan-European Union used the first direct elections to the European Parliament (1979) to launch a major campaign for a politically united, Christian-oriented Europe, with numerous leading Pan-Europeans — headed by Otto himself — taking seats in the newly elected Parliament.

IV.3 The European Parliament Years (1979–1999)

From 1979 to 1999, Otto von Habsburg served as a Member of the European Parliament (MEP), representing Bavaria's Christian Social Union (CSU) party — the same party with which his Cercle Pinay associate Franz Josef Strauss was associated as longtime chairman. He was the Parliament's senior member and used the role as a platform for advocacy of Eastern European liberation. He famously had an empty chair placed in the Parliament to symbolise the absence of nations behind the Iron Curtain, unable to exercise their democratic sovereignty.

As an MEP, Habsburg operated within an informal cross-party coalition with other conservative and Christian Democratic members across national delegations. His European Parliament activity connected the work of the Pan-European Union to the formal institutional structure of the European Community, bridging the gap between the movement's idealistic origins and the practical legislative machinery of integration.

IV.4 The Pan-European Picnic and the Fall of the Iron Curtain (1989)

Otto von Habsburg's most historically significant single act of his later career was his role as co-initiator of the Pan-European Picnic of 19 August 1989 — an event that directly precipitated the fall of the Iron Curtain.

In August 1989, with the Soviet bloc visibly weakening and Hungary having begun dismantling sections of its border fence with Austria, Otto von Habsburg (working through the Hungarian Pan-European chapter and the country's reformist government) organised a symbolic 'picnic' at Sopron, on the Hungarian-Austrian border. The event was publicly billed as a peaceful pan-European gathering. Word spread secretly among East German citizens — tens of thousands of whom had crowded into Hungary as tourists in hopes of crossing to the West. On the day of the picnic, the border gate was opened for three hours. Approximately 600–700 East Germans immediately fled across into Austria. Hungarian border guards, briefed not to fire, stood aside.

This mass crossing — the first organised breach of the Iron Curtain — triggered a cascade. News spread rapidly through East Germany that the Hungarian border was permeable. Within weeks, tens of thousands more fled through Hungary to Austria or sought refuge in West German embassies in Budapest and Prague. The East German regime attempted to close the escape route and crack down on internal protests but found itself unable to stem the tide. By November 1989, the Berlin Wall fell. Erich Honecker, the last leader of the GDR, reportedly acknowledged after his dismissal: 'This Habsburg drove the nail into my coffin.'

The Pan-European Picnic was not a spontaneous event but a carefully coordinated political operation, organised through the same Pan-European Union networks that Habsburg had built over thirty years. It represented the culmination of his decades-long commitment to the liberation of

Central and Eastern Europe — and of the Pan-European Union's post-1973 mission under his leadership.

PART FIVE: Synthesis — The Connected World of Post-War Conservative Internationalism

V.1 A Common Vision Across Different Structures

The organisations and relationships examined in this report — the U.S.-Israel strategic alliance, the Le Cercle Pinay network, the Pan-European Union, and the personal diplomacy of Otto von Habsburg with Roosevelt and Churchill — are not unrelated phenomena. They were expressions of a common underlying project: the construction of a durable, conservative, anti-communist Western order after the catastrophe of the Second World War.

The U.S.-Israel relationship was anchored in shared democratic values, in American Jewish community political and financial mobilisation, and in Cold War strategic calculation. Le Cercle Pinay was anchored in Catholic conservative solidarity, covert intelligence cooperation, and the determination of European right-wing elites to use any available instrument — including covert operations — to prevent Communist electoral victories in the West or Soviet expansion in the East. The Pan-European Union was anchored in the idealistic vision of a unified Christian-democratic Europe that had originated in the Habsburg multi-ethnic imperial tradition and been reconceived as a democratic project for the 20th century.

V.2 Habsburg as Nodal Point

Otto von Habsburg was uniquely positioned at the intersection of these different projects. His wartime access to Roosevelt and Churchill gave him a standing in Allied post-war planning that no other Central European exile could match. His role as Le Cercle patron gave him connections to intelligence services, covert political operations, and conservative governments across Western Europe. His Pan-European Union presidency gave him institutional leadership of the oldest and most ideologically coherent European integration movement. His European Parliament seat gave him formal legislative standing within the institutions of European integration.

He connected all of these worlds simultaneously, moving between formal parliamentary work, secretive elite networking, public advocacy, and covert intelligence-adjacent activity with the ease of someone who had spent his entire adult life navigating the borderlands between public and private power. He was equally comfortable meeting a U.S. President in the Oval Office, attending a secret Cercle meeting in a European capital, giving a Pan-European congress address to thousands, or writing a strategy memo to a Cold War-era intelligence official.

V.3 Israel's Place in this Network

Israel's place in this broader network of conservative internationalism was complex. The United States, the principal protector of Israel, was also the primary external backer of the anti-communist Western order that Le Cercle and the Pan-European Union served. The CIA's funding of the European Movement and related institutions — including the Bilderberg Group — connected American strategic interests with European integration projects in which Habsburg also participated.

The Austrian-Jewish community that had once supported Habsburg's claim to the throne was by 1948 rebuilding in Israel or in the Western diaspora — connected to the same Rothschild and Warburg financial networks that had funded the emigration mechanisms examined in Part I. The Anglo-Palestine Bank that had co-founded PALTREU alongside the Warburg Bank became Bank Leumi — Israel's national bank. The Rothschild land investments in Palestine became Israeli state property. The Holocaust survivors who had passed through the wartime emigration structures built the institutions of the new state. The financial and human networks of the pre-war emigration organisations were thus directly embedded in the post-war state of Israel.

The Warburg family, meanwhile, had rebuilt its banking operations in the post-war years. Eric Warburg reconstituted the Hamburg bank — which had been forcibly liquidated under the Nazis in 1938 — and the family's international banking connections provided ongoing linkages between European finance and the American Jewish community. The Warburg family connection to PALTREU, to pre-war Jewish rescue, and to post-war German-Jewish reconciliation made them part of the same story that stretched from the 1930s emigration mechanisms to the post-war construction of both Israel and democratic Germany.

V.4 Summary Table: Key Connections

Actor	Key Post-War Role	Connection to Other Actors
Otto von Habsburg	Le Cercle Pinay co-founder/patron; Pan-European Union President 1973-2004; EP Member 1979-1999	Direct access to FDR, Churchill, de Gaulle; Associate of Pinay, Adenauer, Strauss; Linked to CIA, MI6, SDECE networks
Franklin D. Roosevelt	U.S. wartime president; Recognised Austrian victim status; Post-war order architect	Personal correspondence with Habsburg; Supported Balfour Declaration principles; Truman (successor) recognised Israel 1948
Winston Churchill	Wartime PM; Iron Curtain speech; European Movement supporter	Close personal friend of Habsburg; Supported Habsburg's Danube Federation; Shared anti-totalitarian worldview
Le Cercle Pinay	Secret conservative elite forum; Anti-communist political operations; Connections to CIA, MI6, BND, SDECE	Habsburg as patron; connected to Bilderberg, Pan-European Union, Opus Dei, Knights of Malta; Over-lapping with U.S. intelligence networks
Paneuropean Union	European integration movement; Anti-communist liberation advocacy; Co-organised 1989 Iron Curtain breach	Habsburg as President; Allied with Christian Democratic parties; Co-existed with Bilderberg/European Movement
Rothschild (post-war)	PICA land transferred to Israel 1954; Knesset Building funded; N.M. Rothschild in Israeli sovereign finance	Direct continuity from pre-war Palestine investment to Israeli statehood; Connected to Central British Fund
Warburg Bank (post-war)	Reconstituted as Hamburg bank; Post-war German-Jewish reconciliation	Direct continuity from PALTREU co-founding; Bank Leumi (successor to Anglo-Palestine Bank) became Israel's national bank
State of Israel	Founded 1948; U.S.-aligned Cold War ally; Nuclear capability; regional power	Institutional successors of PALTREU/Warburg/ Rothschild pre-war networks; U.S. backing channelled through same Atlantic networks Habsburg moved in

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VI. Conclusions

The post-World War II world was shaped not only by the formal institutions created at its end — the United Nations, NATO, the Marshall Plan — but by the informal and semi-covert networks of individuals who moved between states, intelligence services, aristocratic drawing rooms, and secret meetings. Otto von Habsburg was the most remarkable single node in this network, connecting the dynastic legitimacy of Central Europe's greatest historical empire to the CIA-adjacent covert politics of Le Cercle Pinay, to the parliamentary halls of the European Community, and to the personal offices of the most powerful Allied leaders of the twentieth century.

The State of Israel, meanwhile, was simultaneously the product and the beneficiary of the same pre-war networks examined in Part I of this series — the Rothschild Palestine investments, the Warburg-PALTREU emigration mechanism, the Balfour Declaration, and the Central British Fund — and an independent new actor in the post-war Cold War order, cultivating its own strategic relationships that eventually made it one of the most influential and well-protected small states in modern history.

The connections between these actors and networks are best understood not as a single coordinated conspiracy but as overlapping projects by people who shared fundamental values — Christian conservatism, anti-communism, Atlanticism, and European integration — and who moved through many of the same institutional spaces. Otto von Habsburg was the figure who most consistently and deliberately spanned these spaces, from his meetings with FDR and Churchill to his decades of Pan-European leadership and his role in Le Cercle's secretive world — and, perhaps most enduringly, in his co-initiation of the act that brought down the Iron Curtain.

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This report was compiled from publicly available historical scholarship and primary archival descriptions. It does not represent a primary archival investigation. Claims regarding covert operations and intelligence connections reflect the conclusions of the cited secondary sources and should be read as the scholarly assessments of those sources, not as independently verified facts.